
HOUSE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT AN AUDIT OF THE DEPARTMENT OF TAXATION TO ADDRESS ANY ISSUES ASSOCIATED WITH THE COLLECTION OF THE 0.5 PERCENT COUNTY SURCHARGE ON THE STATE GENERAL EXCISE TAX.

1 WHEREAS, Act 247, Session Laws of Hawaii 2005, authorized
2 the counties to levy, by ordinance adopted no later than
3 December 31, 2005, a county surcharge on the state general
4 excise tax (GET) to fund public transportation systems; and
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6 WHEREAS, through the enactment of Ordinance 05-27, the City
7 and County of Honolulu authorized the 0.5 percent GET surcharge,
8 which became effective on January 1, 2007; and
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10 WHEREAS, section 248-2.6, Hawaii Revised Statutes,
11 authorizes the Director of Finance to deduct and withhold a ten
12 percent administrative fee from the 0.5 percent county GET
13 surcharge collected; and
14

15 WHEREAS, sections 248-2.6 (a) and (c), Hawaii Revised
16 Statutes, specifies that the ten percent administrative fee of
17 the 0.5 percent county GET surcharge collected shall be used
18 "...to reimburse the State for the costs of assessment,
19 collection, and disposition of the county surcharge on state tax
20 incurred by the State..." and that "...the costs of assessment,
21 collection, and disposition... shall include any and all costs,
22 direct or indirect, that are deemed necessary and proper to
23 effectively administer this section..."; and
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25 WHEREAS, in 2012, the \$21.2 million in GET surcharge fees
26 collected by the State amounted to nearly the entire budget of
27 \$23.7 million needed to operate the Department of Taxation; and



1 WHEREAS, the ten percent administrative fee taken from the
2 0.5 percent county GET surcharge appears to exceed the
3 reasonable costs of assessment, collection, and disposition of
4 the surcharge; and
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6 WHEREAS, the Honolulu Authority for Rapid Transit (HART)
7 has had problems with the distribution services provided by the
8 Department of Taxation in terms of its timeliness and the
9 accuracy of surcharge payments to HART; now, therefore,
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11 BE IT RESOLVED by the House of Representatives of the
12 Twenty-seventh Legislature of the State of Hawaii, Regular
13 Session of 2013, the Senate concurring, that the Office of the
14 Auditor is requested to conduct an audit of the Department of
15 Taxation to address any issues associated with the collection of
16 the 0.5 percent county GET surcharge on the state general excise
17 tax, including the collection amounts of the 0.5 percent county
18 GET surcharge; the collector amounts of the ten percent
19 administrative fee collected by the state Department of
20 Transportation; and the incurred costs of assessment,
21 collection, and disposition of the surcharge; and
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23 BE IT FURTHER RESOLVED that certified copies of this
24 Concurrent Resolution be transmitted to the Governor, Mayor of
25 the City and County of Honolulu, and Acting Auditor.
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OFFERED BY: *B. Cassin. Ann B/R*

MAR 13 2013

